Mélenchon's Debt Proposal: The EU's Blackmail or France's Sovereignty?

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***Abstract*—In August 2026, Jean-Luc Mélenchon proposed canceling the €636 billion of French public debt held by the Eurosystem. This article argues that the proposal is not an economic policy but a political trap designed to force a fundamental choice: accept the EU's fiscal constraints or embrace a sovereignist path that could lead to a French exit from the EU's monetary governance. By exposing the fictitious nature of public debt and the political, not economic, character of EU treaty rules, Mélenchon's initiative reveals the underlying tension between national sovereignty and EU financial integration. The article also examines the broader sovereignist network connecting Mélenchon, Florian Philippot, Alexis Poulin, and Georges Kuzmanovic, highlighting their shared opposition to EU fiscal rules.**

I. Introduction: The Provocation That Exposes the System

On August 11, 2026, Jean-Luc Mélenchon dropped a bomb into the French political debate: *"Il suffit de prendre les titres et de les foutre au feu"*—just take the titles and throw them in the fire[reference:0]. The proposal is deceptively simple: cancel the approximately 18% of French public debt held by the Eurosystem, representing over €636 billion[reference:1]. Mélenchon's program frames this as "refusing the blackmail" of liberal financiers, arguing that the debt is instrumentally used to justify austerity and privatization[reference:2]. But the real question is not whether this proposal is economically sound. The real question is: *Why is a simple accounting operation—erasing what the state owes to itself—treated as a crime?* The answer lies in the true nature of the European Union: a machine designed to transfer wealth from nations to financial markets. By forcing this debate, Mélenchon reveals that the EU is not a peaceful union of peoples, but a system of financial governance that subordinates national democracies to the interests of private creditors.

II. The Fictitious Nature of the Debt

A. Creating Money Out of Thin Air

When the European Central Bank (ECB) buys state bonds, it creates money *ex nihilo*. No gold, no real wealth backs this creation. The ECB's total subscribed capital amounts to €10.8 billion, subscribed by the national central banks of all EU member states[reference:3][reference:4]. France's share is approximately 14.2%[reference:5]. The Banque de France, as a national central bank, is itself a public institution owned by the French state[reference:6].

B. Fictitious Capital

As Marx identified, public debt is "fictitious capital." It has no counterpart in real wealth. Its only value is the one that the financial system assigns to it. The state owes money to a central bank it owns. This is circular accounting, not real debt. The only reason we treat it as "real" is because the EU treaties and financial markets *decide* to treat it as such. An analysis by Atlantico acknowledges that "the cancellation of these claims is technically and legally conceivable and could even allow the debt stranglehold to be loosened"[reference:7]. Yet the same analysis warns that transforming this operation into a license to spend more would be a serious error[reference:8]. But this warning reveals the true stakes: the fear is not economic collapse, but the loss of *disciplinary power* over states.

III. The EU's "Rules": Not Economics, But Politics

A. Article 123 TFEU: A Political Ban

The EU treaties (Article 123 TFEU) explicitly prohibit "monetary financing"—direct central bank purchases of state debt. This is not an economic necessity; it is a *political choice* designed to force states to borrow from private banks. As Franceinfo explains, for the ECB to cancel the debt, "all the actors would have to get around the table or change the current European treaties"[reference:9]. The Banque de France is legally prohibited from authorizing overdrafts or granting any other type of credit to the public treasury[reference:10]. But this prohibition is a political constraint, not an economic law. It is a mechanism to transfer public wealth to the private sector by forcing states to pay interest to private financial institutions instead of financing themselves through their own central bank.

B. Protecting Rentiers

Why this ban? The answer is simple: to protect rentiers. Private banks and hedge funds profit from state debt. The EU's fiscal rules ensure that states remain dependent on these private creditors, generating a steady stream of interest payments that enrich the financial sector at the expense of public investment.

C. The "Credibility" Myth

The threat of "losing market confidence" is the EU's nuclear weapon. It is not a fact; it is a *threat* used to blackmail nations into submission. As Mélenchon's program states: "The money to live better exists and the action of the European Central Bank could free us from this blackmail of the liberals"[reference:11].

IV. The Trap: Accept or RexIT

Mélenchon's proposal is not an economic policy; it is a *political trap* that forces a binary choice.

A. Option 1: ACCEPT the EU's Blackmail

France bows to Brussels. It keeps paying interest to banks, respects the Maastricht criteria, and accepts austerity. **Meaning:** France renounces its monetary sovereignty. It admits that the EU is a system of financial domination.

B. Option 2: REXIT (Renegotiate or Exit)

France tells the EU: "We are sovereign. We control our central bank. We cancel this fictitious debt." This forces a showdown. Either the EU accepts a renegotiation of its treaties, or France must prepare to leave a system that refuses to respect its sovereignty. **Meaning:** Exposing the EU for what it is—a tool of financial oligarchy—and demanding a new European project based on cooperation, not subjugation.

C. The Sovereignist Convergence

This is not just a left-wing idea. At least four potential candidates have rallied to this option: Florian Philippot (with the precondition of leaving the EU and the euro), Fabien Roussel, Arnaud Montebourg, and Jean-Luc Mélenchon[reference:12]. Mélenchon is not an isolated voice; he is surfing a wave of growing sovereignist sentiment that transcends traditional left-right divides.

V. The Sovereignist Web

A. Philippot's Long-Standing Advocacy

Florian Philippot has been advocating debt cancellation for years. His position is clear: "We must regain our independence by leaving the European Union"[reference:13]. Philippot has called for joining the sovereignist movement "Les Patriotes" to defend France's sovereignty and fight against current European policies[reference:14]. The debt cancellation proposal is Philippot's intellectual territory. He has been saying this for years. Mélenchon is borrowing from this sovereignist playbook, creating a broad anti-EU front. Even if the two men are public rivals, they share a common diagnosis and a common enemy.

B. Poulin and Kuzmanovic: The Bridges

Alexis Poulin and Georges Kuzmanovic act as bridges between the left-wing and far-right sovereignist poles. They have debated together on platforms like Front Populaire, discussing how Europe became a blind spot of the French left[reference:15]. Their collaboration shows that this anti-EU sentiment is transversal. Kuzmanovic, a former Mélenchon advisor, now leads the sovereignist movement "République Souveraine"[reference:16]. Poulin, a journalist and creator of the channel "Un monde moderne," describes the EU as a disconnected object that relentlessly undermines national sovereignty[reference:17].

C. Why 2026?

This is the culmination of a strategy to push the EU question to the center of the presidential debate. By 2027, voters must choose: the financial dictatorship of Brussels or national sovereignty.

VI. The "Risk" Argument Exposed

A. The Blackmail of the Markets

"But the markets will panic!"—This is the classic threat. But who are the "markets"? Private banks and hedge funds that profit from state debt. The counter-argument is simple: if France shows it is ready to defy the markets, the blackmail loses its power. The markets only have power because we *believe* they do.

B. Historical Precedent

Other nations have defaulted or restructured their debt and survived. The real catastrophe is not a technical default, but decades of austerity, social regression, and lost sovereignty. As Mélenchon's program notes, the public debt is instrumentalized to justify austerity and privatization[reference:18].

VII. Conclusion: A Choice Between Vassalage and Sovereignty

Mélenchon's proposal is not a "crazy idea." It is a logical application of monetary sovereignty. By forcing this debate, Mélenchon reveals that the EU is not a peaceful union of peoples, but a system of financial governance that subordinates national democracies to the interests of the City and Wall Street. The debt cancellation proposal is a political lever. It forces France to look in the mirror and ask: Are we a sovereign nation, or a vassal state paying tribute to its creditors? The EU says "accept our rules." The sovereignists say "RexIT or die." Mélenchon just forced everyone to pick a side.

Sidebar 1: Who is the Real Creditor?

The ECB is owned by the national central banks of all EU countries[reference:19]. Each country's share reflects its population and GDP[reference:20]. France's share is approximately 14.2%[reference:21]. The Banque de France is itself a public institution owned by the French state[reference:22]. **The implication:** The debt is owed to ourselves. The state owes money to a central bank it partially owns. This is circular accounting, not real debt. The only reason we treat it as "real" is because the EU treaties and financial markets *decide* to treat it as such.

Sidebar 2: The 1973 Law—Myth and Reality

The law of January 3, 1973 (Law No. 73-7) on the Banque de France modified the statute of the central bank and specified the conditions under which the state could borrow from it[reference:23][reference:24]. It did not prohibit the financing of the state by the central bank, but recalled the rules governing such loans[reference:25]. The law is sometimes presented, primarily by the far-right and far-left, as the starting point of the enslavement of the state to financial capitalism[reference:26].

TABLE I
ECB CAPITAL KEY (SELECTED COUNTRIES)

Country	Share (%)
Germany	18.4
France	14.2
Italy	12.5
Spain	8.8
Estonia	0.2

TABLE II
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Source: ECB (2019)

It was present in the programs of three candidates in the 2012 presidential campaign: Nicolas Dupont-Aignan, Marine Le Pen, and Jean-Luc Mélenchon[reference:27]. **The reality:** The law was abrogated in 1994 following the Maastricht Treaty, which prohibits the financing of states by their central banks[reference:28][reference:29]. The sovereignist mythos around the "1973 law" serves as a powerful symbol of financial subjugation, even though the law itself is no longer in force.

SIDEBAR 3: THE SOVEREIGNIST GALAXY

The sovereignist ecosystem is fluid, with figures moving between different poles:

- **Jean-Luc Mélenchon (LFI):** Proposes debt cancellation within the EU framework.
- **Florian Philippot (Patriots):** Proposes debt cancellation with precondition of leaving the EU and the euro[reference:30].
- **Georges Kuzmanovic:** Former Mélenchon advisor, now leads "République Souveraine"[reference:31].
- **Alexis Poulin:** Journalist and creator of "Un monde moderne," describes the EU as a disconnected object that undermines sovereignty[reference:32].

These figures share a common opposition to EU fiscal rules, even if they disagree on the strategy to achieve sovereignty. The sovereignist galaxy is characterized by convergence on diagnosis, but fragmentation on solutions.

The Sovereignist Galaxy Mélenchon (LFI) ↔ Kuzmanovic (ex-LFI) ↔ Poulin (Journalist) ↔ Philippot (Patriots) *Shared opposition to EU fiscal rules*

Fig. 1. The Sovereignist Network

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